

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6795**

**BILL NUMBER:** SB 349

**NOTE PREPARED:** Jan 6, 2009

**BILL AMENDED:**

**SUBJECT:** Health Facility Surveyor Training.

**FIRST AUTHOR:** Sen. Lawson C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Indiana State Department of Health (ISDH) to provide uniform and appropriate training for each ISDH employee with health facility inspection duties before the employee may inspect a health facility.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The Indiana State Department of Health reports that surveyor training is uniform nationally since the minimum training requirements for surveyors are determined by the federal Centers for Medicare and Medicaid Services (CMS). All surveyors are trained through the CMS training program by federal trainers. ISDH reports that all public health nurse surveyors and medical surveyors are federally certified. Each provider type, such as an outpatient surgery center or a hospital, has a distinct survey training program, and certification is awarded according to the specific type of provider to be surveyed.

A surveyor cannot participate as an observer on a survey of a health facility until completing a series of CMS-mandated training modules. Until a surveyor is certified, the surveyor may not perform a survey or be at a facility without the direct supervision of a certified surveyor. Once a new surveyor has participated in two complete certification surveys with a supervisor, they may then be nominated for CMS basic training. The CMS basic training is a week-long training program conducted by CMS trainers in locations throughout the country. For certification, the surveyor must subsequently pass a CMS examination.

Following certification, surveyors routinely undergo additional training sessions several times each year. If the bill would require additional appropriate training, ISDH reports that approximately 170 surveyors would be affected by the bill. Cost associated with additional training would depend on the time necessary for the

surveyors to complete the training and the development cost for the training programs.

*Health Facility Regulation Background:* With a few exceptions, health facility certification, regulation, and inspection are jointly funded by the state and federal governments. Certification and state licensure surveys are conducted simultaneously as much as possible in order to maximize the use of federal funds available for Medicare and Medicaid certification purposes. The long-term care certification and licensure inspections are funded with approximately 70% federal funds, while hospitals, outpatient surgery centers, and other miscellaneous entities that are licensed or certified are funded with approximately 35% federal funds. Inspections or complaint investigations of health facilities that are certified by Medicare or Medicaid but are not licensed by the state are funded with federal funds. Inspections and complaint investigations of facilities required to be licensed by the state but not certified by Medicare or Medicaid are funded with 100% state General Funds.

**Explanation of State Revenues:** See *Explanation of State Expenditures* for federal funding participation.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** ISDH.

**Local Agencies Affected:**

**Information Sources:** ISDH.

**Fiscal Analyst:** Kathy Norris, 317-234-1360.